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INFORMATION REPORT

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COUNTRY Austria/USSR

~~CONFIDENTIAL~~

DATE DISTR. 24 FEB 50

SUBJECT Recent Developments at the Matzen and
Zistersdorf Oil Fields

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25X1C

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ACQUIRED

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(LISTED BELOW)

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DATE OF
INFO.SUPPLEMENT TO [REDACTED] 25X1X
REPORT NO.

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THIS IS UNEVALUATED INFORMATION

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Matzen

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1. [REDACTED] Soviet policy requiring the use of large beams to exploit the resources of Matzen wells No.3 and No.8 has brought a marked reduction in the output of these wells, both of which are now operating with 20 millimeter beams. [REDACTED] believes it will be necessary to treat well No. 3, because there is considerable water seepage and the oil has a 27 percent water and 5 percent sand content. The SMV is pumping an increasing amount of sand from Matzen well No.8, but so far no water seepage has been observed. Production output of Matzen well No.12 averages 190 cubic meters of oil per day, which is 50 cubic meters less than its production peak of early December 1949 when its output totalled 240 cubic meters per day.

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2. [REDACTED] During one 24-hour period in the last week of December 1949, Matzen production reached its peak at a total of 910 tons of oil. Matzen wells now produce an average of 840 tons per 24-hour period operating with 18 millimeter beams. Matzen well No.11 was brought in 28 December 1949 and it produces an average of 180 cubic meters of asphalt oil per day. Two new wells are being prepared for production; one is to be brought in at the end of January 1950 and the second in February 1950.

3. On 13 or 14 December 1949, the Soviets arrested a 21 year old Viennese student in the vicinity of one of the Matzen oil wells. This student apparently aroused suspicion when he questioned oil field workers regarding Matzen production. The Soviets allegedly found in his possession several sketches of SMV installations and they also recovered his camera, which he had tossed into an oil sump. As a result of this episode, the SMV has tightened security measures and has directed the Wertschutz to prevent unauthorized persons from approaching SMV installations.

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No Change in Class.

Declassified

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This document is hereby reclassified to CONFIDENTIAL in accordance with the letter of 16 October 1973 from the Director of Central Intelligence to the Archivist of the United States.

Next Review Date: 2003

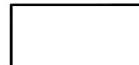
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CENTRAL INTELLIGENCE AGENCY



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4. During the last week of December 1949, SMV Director SIDOROV made an inspection tour of all SMV oil fields in Austria.* SIDOROV singled out Austrian employees of the SMV for a stern reprimand; he warned them to expect drastic punitive measures unless SMV oil production increases immediately. SIDOROV was particularly annoyed by conditions at the E.P.G. fields, where water seepage now averages about 85 percent and one well has a water content as high as 89 percent. At present SMV obtains only 210 tons of crude oil from E. P. G. wells which produce a total of 1,550 cubic meters of oil and water per day. SIDOROV and other SMV officials seem to be convinced that Austrian oil field workers are watering this field and to check this type of sabotage they assigned a Soviet control officer to E. P. G. shortly after SIDOROV's visit.

Muehlberg

5. Muehlberg production dropped to an average of 950 to 1,000 tons per day sometime towards the end of November and during the first part of December 1949. This decrease is probably the result of large beams which Soviet Director N. K. KOTOV installed at Muehlberg's most productive wells just before he returned to the Soviet Union on leave. SIDOROV, however, reprimanded P. A. PEKHPELITSIN, Soviet director of ITAG who is supervising Muehlberg during KOTOV's absence because he has not been able to increase Muehlberg production.
6. The SMV is now pumping oil from Muehlberg to a small railroad siding at Bernhardshof which has not been used since early in 1945. This railroad yard has a capacity for loading about 16 tank cars. It is believed that the SMV is shipping crude oil directly from Bernhardshof to the CSR.

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7. Recently, the SMV Central Warehouse received three new large German-made gas-compressors. These gas-compressors are to be sent to DBA/I where they may be used to increase pressure on the gas line to Vienna or to pressurize and thereby increase the output of DBA/I oil wells.

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